

**EXHIBIT 393 TO
CISNEROS DECLARATION
REDACTED VERSION**



FSM Pre-Focal Analysis 2007

January 5, 2007

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2007 Pre-Focal Prep

Today's Objective:

Review and educate on '07 Market data, budget and group compensation trends

Agenda:

- Review Focal budgets
- Review and discuss biz group specific analysis
- SMA Strategy and Priorities
- Grade 11-12 Staff
- Wrap Up

The data in this presentation provides compensation analysis that may help you when developing your Focal objectives

2

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393.2

Focal "Sound bites"

Merit and promotion budget recommendations track with the market

- Merit and promotion increases similar to last year

Intel continues with 3-year SMA strategy

- [REDACTED]
- **Improving market competitiveness**
 - [REDACTED] +
 - [REDACTED]
 - Salary Ranges
- **Changes to Stock Option program** in line with strategy communicated last year to managers to reduce SOP.
 - [REDACTED]
 - [REDACTED]
- **Apply meritocracy and "do the right thing"**



FSM WW Focal Budgets

FSM	Intel Hdcnt (12/19)	TMG Hdcnt	FSM '06 Hdcnt 14,219	FSM	
				TMG '06 YTD Turnover	'06 YTD Turnover (Nov. 2006)
USA	50,712	23,949	11,411	6.1%	6.1%
Ireland	6,775	1,312	1,973	10.8%	12.4%
Israel	4,144	2,378	835	2.2%	4.1%
Totals	61,631	27,639	14,219 51%	7.2%	6.2%

Does not include the 13 in Malaysia
Automation Eng., Factory & IT Mgr.

Merit and promotion budget recommendations track with market

- US Merit increases will be [REDACTED] for successful employees, same as last year. Merit matrix to be set at [REDACTED]
- 2nd Year of SMA Strategy; SMA budget is [REDACTED] WW SMA
- Promo budget based on historical promo rates & pay delta per grade
- Overall T-Cash Position of Market is Strong for FSM WW @ [REDACTED]
- FSM turnover [REDACTED] tracking [REDACTED] and [REDACTED]



Exempt Base POM*

Key Messages:

US

- [REDACTED]
- [REDACTED]
- [REDACTED]

Ireland & Israel:

- [REDACTED]

*Position of Market

5

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US - Base POM by Grade



Critical Job codes identified

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]



SMA will help close the gap for your critical jobs and move closer to the base POM goals



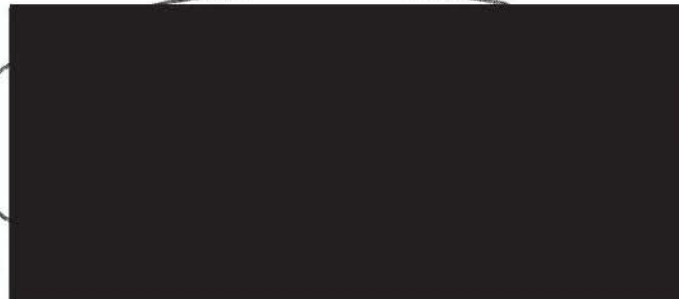
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Non-Exempt Base POM



Key Messages:

- Overall, excellent improvement to WW POMs against country goals. Nonexempt Base POM average at [REDACTED] in the US, slightly more than goal of [REDACTED]. [REDACTED] are well positioned and have exceeded base pay goals.
- Last year, G56 received SMA, met objectives to move them closer to market
- Grade 53 are behind base pay goals ([REDACTED]) with a few in Oregon = Work Study & [REDACTED]. [REDACTED] to be significantly above market for lower grades [REDACTED], but lost market position in higher grades compared to last year.



343.7

SMA Strategy for 2007

Strategy

- Continue with 3-year SMA strategy, but accelerate the fix for grade [REDACTED] as these grades are where we have the most significant gaps

SMA Priorities for 2007:

1. [REDACTED] fully achieve base pay and total cash goals in 2007
2. [REDACTED] fully achieve base pay goals in 2007
3. Critical jobs, as validated by BGHR and Site GM/staff
4. [REDACTED]
- [REDACTED]
5. Other jobs with gaps [REDACTED]

Overall, Intel expects [REDACTED] of the employees will be SMA eligible.

- Actual SMA generated will vary based on business groups

*Higher Performer=An employee who received an "O" or "EE" twice AND received Level 1 or 2 SOP Twice in the last 3 Focals.

8

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SMA by Country Preliminary Overview Grade 10 & below

Do not share or forward

Exempt



Non-Exempt



Process:

- Current recommendation for Focal 2007 is for SMA to be used for jobs/grades:
- Jobs with market gaps > 6% are SMA eligible
- Critical jobs with market gaps < 6% may be eligible
- Will consider SMA for sustained high performers to ensure appropriate pay relative to market

Key Messages:

Final SMA decisions will depend on available budget. Direct Managers will have access to SMA when the Focal Tool is available.

25% of FSM WW headcount will receive SMA (3,494 Total WW HC)

A total of 60 Job codes will receive SMA (50 for exempts & 10 for non-exempts)

SMA percent varies by job code, grade and country

Any remaining SMA dollars- Apply meritocracy

9

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Exempts-SMA Generated by Job Title

Do not share or forward

Key Messages:

Only shows SMA for H/C greater than 4 employees in a job code.

SMA will help close the gaps in

C&B **generates** SMA based on job codes and grades, but the business **allocates** based on internal equity and performance.

C&B will work with HR to develop a watchlist of high performers.

Job Title	USA	IRL	ISR	MYS	H/C
[REDACTED]					

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Note: Gov. & Public Affair will now fall under Legal

10

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Non-exempts - SMA Generated by Job Title

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Key Messages:

Very little SMA was generated for [redacted] Majority of SMA generated [redacted]

- [redacted]
- [redacted]

MC receives only SMA for calibration tech and Adm.

11

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Grade 11-13 SMA for 2007

Strategy:

- Deliver SMA to close entire base pay and total cash gaps to market goals in one year

Allocation Process:

- [REDACTED]
- [REDACTED]
- SMA generated by job code
 - Employees in same grade/job code receive same %
- Shift money around as appropriate to support strategy:
 - Bring high performers above market targets where appropriate
 - Consider job scope and relative experience
 - Zero out or reduce SMA for lower performers
- Allocate SMA to EB targets per grade level guidelines and meritocracy
 - [REDACTED] Allocate accordingly to hit T-cash goals.
 - [REDACTED]

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The new Base POM goals

Grade	Before	New
[REDACTED]	[REDACTED]	[REDACTED]

Revised EB % Target Guidelines

Grade	Before	New
[REDACTED]	[REDACTED]	[REDACTED]

FSM Grade 11-12 Staff

Site	Name	Intel Title	Grade	TIG	USD Intel Base Pay	USD Market Base Final	Goal Base POM	Actual Base POM	2007 - Year 2 SMA %	Adj. POM Tcash	2006 Rating	2006 SMA Alloc	2006 SOP+

Site	Name	Intel Title	Grade	TIG	USD Intel Base Pay	USD Market Base Final	Goal Base POM	Actual Base POM	2007 - Year 2 SMA %	Adj. POM Tcash	2006 Rating	2006 SMA Alloc	2006 SOP+

13

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FSM Wrap Up

Focal

- **Merit: Same message as last year!**
 - Spend all your Focal budget
 - Apply Meritocracy
 - Promo your high performers
 - "Do the Right Thing"
- **Promotions:**
 - Would expect to see more promotions of your higher performers in the lower grades
 - [REDACTED]
- **SMA:**
 - Redistribute SMA to those higher performing employees who are paid below market goals.
 - No SMA increase to IR employees, BE's may be considered, but should be a lower priority
 - Improve market position for process and software engineers.
 - Do NOT share SMA information - "For Your Eyes" Only

Next Steps

- January Focal Kick-off
 - Review final budget and any key analysis with your staff

14

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393.14

Back-Up

15

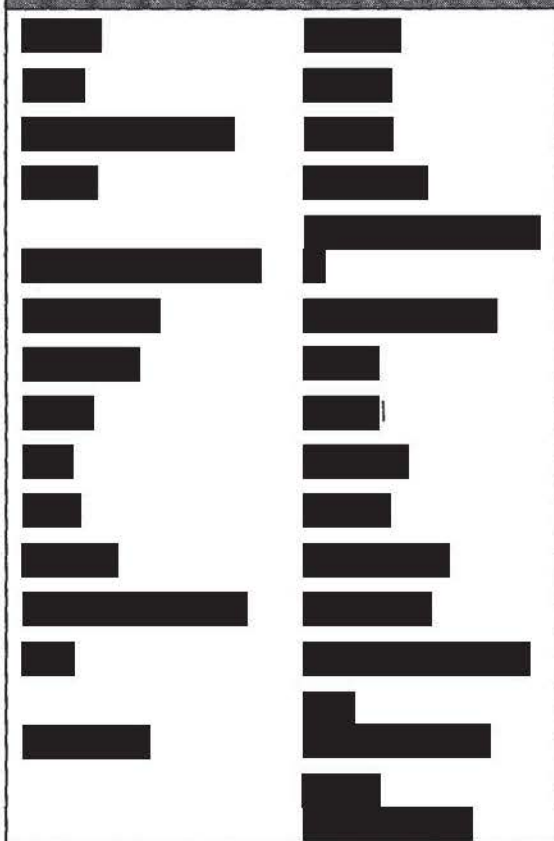
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393.15

US T-Comp Competitors

US 2007 T-Comp Competitors



T-Comp Competitors: Companies against which Intel benchmarks compensation:

- 30 tech companies generally considered comparable to Intel
- Blend of semi, software, networking, communications, and diversified computer companies

Competitors may be modified by geo

- Based on local competition for talent

Competitor companies vary when offline surveys are used for specialized skills.

- Data is not available for special skills in our normal survey (ie: legal, vc, client managers, etc)



393.16

T-Comp Changes in 2007

2006 Compensation Changes: Announced that Intel would improve our target for total cash pay from "average" to "above average", and deliver to that target over the course of 3 years. Inject additional focal budget (SMA \$) over 3 years to jobs that are below target, resulting in base + bonuses > market when Intel profitability matches or beats industry performance

Program	What's Changing	Why?
Base Pay	<ul style="list-style-type: none"> •Higher POM Base Goals in the US <div style="background-color: black; width: 150px; height: 15px; margin: 5px 0;"></div> <div style="background-color: black; width: 150px; height: 15px; margin: 5px 0;"></div> <div style="background-color: black; width: 250px; height: 15px; margin: 5px 0;"></div> •In Israel, overall goals were adjusted according to the corporate direction. 	Improve our Base pay POM. Market competitive
EB	<ul style="list-style-type: none"> •Increase EB max target ranges <div style="background-color: black; width: 250px; height: 15px; margin: 5px 0;"></div> <div style="background-color: black; width: 200px; height: 15px; margin: 5px 0;"></div> <div style="background-color: black; width: 150px; height: 15px; margin: 5px 0;"></div> •Changes to Formula 	Improve our T-Cash POM. Market competitive
Salary Ranges	<div style="background-color: black; width: 250px; height: 15px; margin: 5px 0;"></div> <div style="background-color: black; width: 150px; height: 15px; margin: 5px 0;"></div>	Market competitive



Program	What's Changing	Why?
Stock Grants	<p>Stock grant reductions - Two-step process:</p> <p>2007:</p> <ul style="list-style-type: none"> [REDACTED] Eliminate stock options and increase RSUs slightly [REDACTED] Reduce stock options by 50% and increase RSUs slightly [REDACTED] Increase RSUs in the stock mix by 10% <p>Example: [REDACTED]</p> <p>2008:</p> <p>[REDACTED]</p>	<div style="background-color: black; width: 100px; height: 100px;"></div> <div style="background-color: black; width: 100px; height: 100px;"></div>

US Salary Ranges
Effective 1/1/07

Grade	Average of			Average of
	Midpoint			Move
	Average of	Average of	Average of	from old
	New	New	New	to new
MinValue	MidValue	MaxValue		

393.19



TIG by High Performers (US)

Key Messages:

Overall, excellent progress made last year promoting all grades. Majority of grades have TIG <1 year.

Grade 3 may be an opportunity to promote

Grade 54, 5 year + on the high end. Look to promote more.

- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]

Opportunities:

- Do the Right Thing....Again
- Spend all your promo dollars
- Apply meritocracy

	Exempts = High Performers Only			
Grade	<1yr	1-3yrs	3-5yrs	5+yr
[redacted]				

	Nonexempts = High Performers Only			
Grade	<1yr	1-3yrs	3-5yrs	5+yr
[redacted]				

*Higher Performer=An employee who received an "O" or "EE" twice AND received Level 1 or 2 SOP Twice in the last 3 Focals.

393.26



US Diversity Analysis (Exempts Only)

Key Indicators	Female	Male	Female H/(L) Male	URM	Non-URM	H/(L) Non URM

Key Messages:

Pay looks good, areas of focus:

- High Performing ratings & stock for Females & URMs

Corporate Diversity Direction:

- Focus is on US diversity with legally mandated diversity audits (performance and pay)
- Audits on rating, trends, etc. will be part of the focal rollup process
- OFCCP pay analysis will occur outside of focal



Higher Performers by Top 3 HC positions








RatingTrend	HP
Country	USA
FLSA	E

Count of ID		TIGGrouping			
IntelTitle	Grade	<1yr	1-3yrs	3-5yrs	
[Redacted]	3	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	5	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	6	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	7	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	8	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	6	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	7	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	8	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	9	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	10	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	11	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	3	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	5	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	6	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	7	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	8	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	9	[Redacted]	[Redacted]	[Redacted]	[Redacted]

393.22



Overview of WW Environment –

GDP Growth		After growth in 2006, a slowdown in most parts of the developed world will reduce world GDP growth in 2007. Despite slowdown, GDP growth is still strong.
Inflation		Global inflation rates will decline only gradually in 2007
Unemployment		Many countries will experience lower unemployment, although China, US and UK are expected to have slightly higher rates
Labor Mkt		Most countries will continue to experience robust labor market
Avg Mkt Salary Movement		Market movement projected to be equal or slightly up compared to 2005
Mkt Turnover and Intel Turnover		Intel and market turnover continue upward trend. Intel turnover increasing more than market, decreasing the gap between market
Intel Offer Accept Rates		Intel Offer accept rates have declined in most major countries

23

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Key Indicators at a Glance

	2007 Economic Forecast			2006 Intel Workforce		2006 Market
	GDP	Inflation	UE	Offer Accept Rate	Turnover (Total)	Turnover (Total)
USA	2.2%	3.3%	5.2%			14.2%
Costa Rica	4.5%	11.1%	6.5%			12.1%
Germany	1.4%	2.4%	10.4%			3.1%
Ireland	5.3%	3.2%	3.8%			8.0%
Israel	4.1%	2.4%	8.0%			11.0%
Russia	5.9%	9.3%	6.5%			12.0%
UK	2.3%	2.1%	5.7%			5.8%
China	9.8%	2.3%	9.3%			17.2%
India	7.4%	4.9%	7.4%			18.5%
Japan	2.1%	1.3%	4.0%			7.6%
Malaysia	5.4%	3.9%	3.6%			18.8%
Philippines	5.0%	5.2%	8.3%			21.0%

24

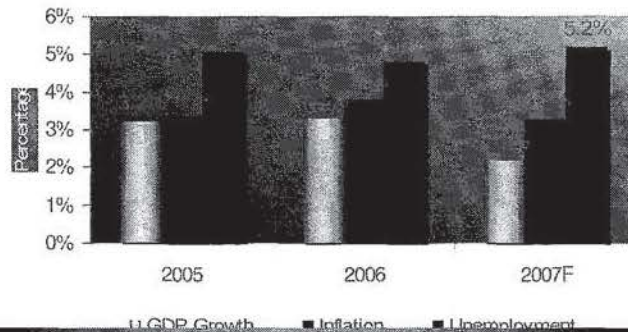
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UNITED STATES

Economic Indicators



Workforce Indicators

Budget Indicators

External

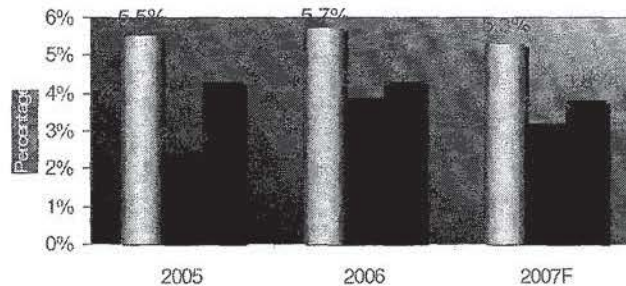
- Increased use of RSUs and hiring bonuses at competitor companies

Internal

- Workforce retention is critical
- Undesired attrition is rising

IRELAND

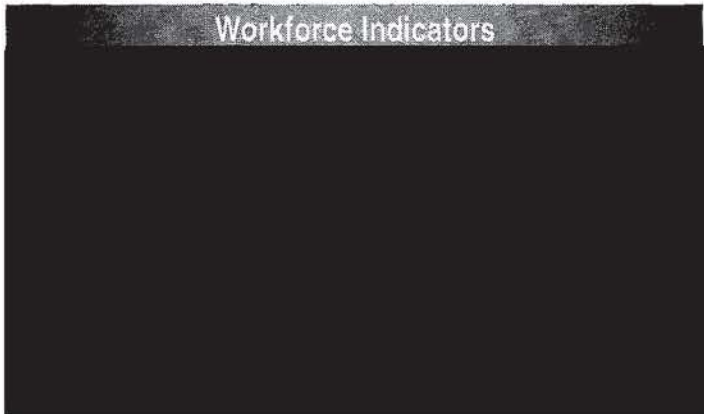
Economic Indicators



Budget Indicators



Workforce Indicators



External

Manufacturing industry hit hard by redundancies

Several plant closures

Defined Benefit pension plans being reviewed

Car benefits moving to providing a cash allowance benefit only

Internal

Retention challenges: Manufacturing Supervisors, Grade 3 Engineers.

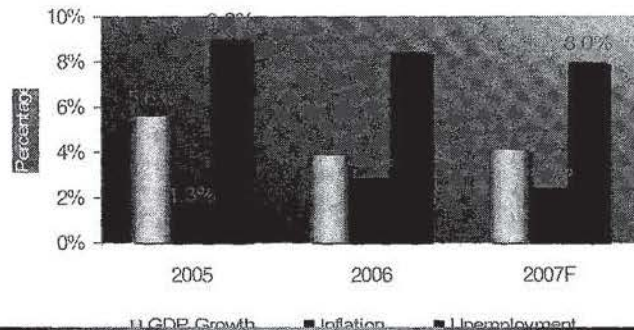
Concern that low morale, caused by SET actions, could have a knock on effect to attrition. HR in particular.



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ISRAEL

Economic Indicators



Workforce Indicators

Budget Indicators

External

High-tech companies continue to add headcount

New design centers being opened (Oracle, Google, Microsoft)

High demand for skilled employees such as sw engineers, algorithm engineer, VLSI, ASIC and RF engineers

Internal

Attraction challenges: RCG design engineers, Manufacturing Engineers

Retention risks: Grade 5&6 Engineers

- Dissatisfaction with salary



	2004	2005	2006	2007
Budget				

Forecasts in Green

* As reported by Radford Surveys - not intended to be additive of Merit + Promo

	2005	2006	2007
Budget			

29

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	2005	2006	2007
Budget			

Forecasts in Green